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21 DEC 1970

MEMORANDUM FOR: Chief, DD/S Plans Staff

SUBJECT : Implementation of OBM Circular
A-44 (Revised) dated 16 February 1970

1. Pursuant to the request contained in your memorandum, Subject as above, dated 16 November 1970, the following management effectiveness and cost reduction goals are listed.

A. Section 1. Management Effectiveness Goals

- (1) To screen more closely, requests for operational support in order to eliminate by 10% those requests which could be handled by the requester at a net savings to the Agency. As a result, the important requests could be handled in a more efficient and expeditious fashion.

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This relocation would enable us to more easily recruit clerical personnel for that office. It would also lead to a reduction in man-hours now lost because of the lack of convenient parking space. Finally it would permit a reduction in office space of about 20%.

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GROUP 1
Excluded from automatic
downgrading and

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control system will be introduced whereby whenever the first action is received, a security review of the file will be made for all actions. This should reduce the number of file reviews by one third realizing a savings of 20 man hours per month.

- (6) We plan to increase the total number of CI sources covering the [redacted] [redacted] Program and Special Resources Activity by approximately 10% during the coming year, without increasing Staff man power and with only a minimal cost increase consistent with the additional sources' expenses. We plan to do this to meet increasing requirements and the increased target areas determined by our recent survey, which indicated a number of dangerous gaps in our coverage. Without increasing Staff man power, the only way this goal can be strived for is to decrease the number of contacts with each source, spreading contacts out to perhaps 1/2 as frequently, and using the Staff time-savings thus obtained for contacts with new sources. There is an inherent risk in this move, and we recognize it. But, without increasing Staff man power on the projects, this is the only way obtaining additional coverage can be attempted. We must acknowledge, however, that in so doing we may miss information vital to the security of this Agency, a necessary risk imposed by budgetary considerations. The other aspect of these efforts, safehouse costs, can be reduced no further. We have already eliminated the regular safehouse apartments in favor of efficiency units, which, unfortunately due to rising rental costs, now cost us what we paid for larger safehouse apartments ten years ago.

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and by encouraging more visits of liaison contacts to Headquarters for transacting business which for security reasons cannot be conducted by telephone or of such complexity it cannot be handled over secure circuits. This will decrease travel and entertainment costs and absence of Branch personnel, including travel time, from Headquarters where they can devote the time savings to more productive work. Such liaison travel cannot be eliminated altogether, since in many cases we are seeking favors and must logically be going to the liaison contact "with hat in hand". We know that to some degree this will prejudice our liaison effort, and much incidental intelligence obtained in visits to liaison contacts will no longer be available to us. Again, however, this appears to be the only course available to us under current constraints.

- (9) Although the Office of Security CI effort is a "demand" activity, we plan to effect some cost savings. Because of limited budget for supplies, which are perishable in nature, we have attempted in recent years to "short-order", running the risk of running out of supplies upon heavy demand. This has worked well, and has greatly decreased the problem of having supplies of questionable efficiency once expiration date is passed. On only two occasions did our "short-order" effort fail, and over-the-counter purchases were made necessary. We would hope to improve this practice as a means of conserving our supply budget, with a projected saving of anywhere from 5% to 10% annually. This savings is, of course, expended in purchase of increased supplies to meet increased demand requirements. We have also attempted and will continue to "make do" with existing equipment. For example, one piece, of considerable age, failed, but was repaired commercially and should

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have a degree of work life remaining. (It should probably be supplanted with another, newer unit costing about \$400.) Another piece of equipment recently failed and is currently being repaired "in house", which will--because the equipment is much newer--probably have a substantial remaining work life. We are most certainly reducing and will continue to reduce the all but intangible "work unit" cost to some degree, but, again, the reduction serves only to absorb additional work units required for other tasks. We have reduced our stenographic pool by one secretary, at an annual savings of \$6,766, but work load precludes further cost effectiveness attack in this area. We have attempted computerized research with great success, only to find that the cost of an ADP program which will save thousands of dollars in man power over the cost of the program, is beyond the ability of our budget. At this point, we can see no dollar saving goals which would be either honest or realistic. Our efforts are not saving dollars, they are giving the Agency more for dollars spent.

(10) To establish a program to ensure that expensive technical training will be given only to those personnel who show a long-range potential in his specialized field. A goal of a 10% reduction on the turn over rate of such personnel is established.

(11) To aggressively recruit guards in order to bring the force to authorized strength. This effort should reduce overtime by 10%.

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B. Section II. Cost Reduction Goals

(1) To reduce rental fees for equipment leased by the Security Records and Communications Division, it is contemplated that we obtain two Univac DCT 1000 configurations to replace our present IBM 1050 equipment and four Univac 1701-04 VP Key Punch/Verifiers to replace one IBM 029 Key Punch Machine and six IBM 059 Verifiers. Annual rental savings \$2808.00.

(2) To centralize the bookkeeping [redacted] [redacted] This will eliminate the salary of one part-time bookkeeper. Annual savings \$1560.00.

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2. In accordance with paragraph 3(a) of OBM Circular A-44 (Revised) only those functions which are susceptible to the establishment of a management system for identifying quantitative goals are included in this report.

3. This Office would be pleased to provide any additional data you may require.

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[redacted]
(Howard J. Osborn
Director of Security

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